



PSC NEWS

Missouri Public Service Commission

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NATURAL GAS RATES TO CHANGE FOR MISSOURI GAS ENERGY CUSTOMERS UNDER SCHEDULED WINTER NATURAL GAS FILING

Jefferson City (December 22, 2004)----To primarily reflect estimated changes in the cost of natural gas for the remaining winter season, natural gas customers of Missouri Gas Energy will experience a reduction in natural gas rates under a scheduled winter season filing reviewed and accepted by the Missouri Public Service Commission. This rate change, which will take effect on January 1, 2005, is interim subject to refund.

A residential customer currently pays \$0.87486 per Ccf (per 100 cubic feet of gas). Under this filing, the rate will drop to \$0.83060 per Ccf (per 100 cubic feet of gas), a decrease of approximately 4.4 cents per Ccf. The effect on a typical residential heating customer for the remaining winter season is a decrease of approximately \$27 (total for the three month period January through March) when compared to rates currently in effect.

Approximately 65% to 80% of a customer's natural gas bill reflects the cost of natural gas from wholesale suppliers. **The wholesale cost of natural gas** (the cost your local natural gas company must pay to its suppliers for natural gas) **is not regulated by the Missouri Public Service Commission.** The wellhead cost of natural gas is unregulated and is primarily driven by supply, demand and the weather. The Missouri Public Service Commission does conduct an annual regulatory review to ensure that regulated gas companies make prudent decisions in securing natural gas supplies for its customers.

Missouri Gas Energy serves approximately 506,400 natural gas customers in western Missouri.

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